

TO: State Directors
Rural Development

ATTENTION: Rural Development Program Directors,
Single Family Housing - Guaranteed Loan Specialists,
Rural Housing Specialists, and
Rural Development Managers

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Rural Housing Service

SUBJECT: Guaranteed Rural Housing (GRH) Program
Loss Claim and Future Recovery Processing

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to revise the loss claim and future recovery remittance procedures due to enhanced automation capabilities, which assist in the preparation and calculation of Single Family GRH loan program loss claims and future recoveries.

COMPARISON WITH PREVIOUS AN:

This AN revises and replaces RD AN No. 3945 (1980-D), dated February 23, 2004.

BACKGROUND:

The "Rural Housing Guarantee Report of Loss" (Form RD 1980-20), and the "Loss Claim Input Worksheet", provides assistance for lenders submitting a loss claim and future recovery. Currently, the Rural Development staff located in each state and at the Centralized Servicing Center (CSC), review GRH loss claims and supporting documentation, to determine whether the lender has performed an expeditious liquidation and that claimed expenses are reasonable and customary. The Loss Claim Input Worksheet was designed to assist lenders with claim preparation and to assist the Agency staff with claim review, thereby minimizing issues that may cause delayed claim processing and payment.

EXPIRATION DATE:
November 30, 2005

FILING INSTRUCTIONS:
Preceding RD Instruction 1980-D

IMPLEMENTATION RESPONSIBILITIES:

Loss Claim Processing

This AN is issued to modify the Loss Claim Worksheet, a tool lenders and Rural Development staff may use to process GRH loss claims and to determine the amount of future recovery due the Agency. Lenders may use the electronic version of the revised Loss Claim Input Worksheet (Exhibit B) to support and facilitate the calculation of loss claims and future recovery. In the electronic version, the lender can enter the loss data into the Loss Claim Input Worksheet, which automatically completes the "Report of Loss" Form RD 1980-20 using the Loss Claim Input Worksheet data. When the lender submits the claim to the Agency, Rural Development staff will review the loss claim or future recovery to ensure accuracy and will then enter the claim into the Guaranteed Loan System (GLS) under the Loss Claim Administration Menu.

Rural Development, GRH program staff enhanced the automated loss claim process for the Section 502 GRH loan program on GLS. The current automated process allows the Agency staff to transmit loss claims on-line and to receive feedback related to the status of the claim payment. In the near future, the Agency will begin working with lenders, following a phased in approach with intensive monitoring, to enable lenders to file its loss claims via the Internet. Automated loss claim filing enables enhanced claim processing speed and uniformity. Systematic threshold edits review data entered in critical data fields and claims with data elements outside established parameters are subject to manual review.

Until lenders are using automated claim filing via the Internet, the revised Loss Claim Input Worksheet and Future Recovery Calculator continue to help the lender organize and prepare the information provided to the Agency to support loss claims and future recoveries. The Agency should provide the following updated attachments, along with the electronic versions, to its lender's servicing and claims department:

- Exhibit A, USDA Rural Development - Single Family Guaranteed Rural Housing Loss Claim Checklist
- Exhibit B, USDA Rural Development - Single Family Guaranteed Rural Housing Automated Manual Loss Claim Input Worksheet
- Exhibit C, Table to Determine the Number of Days Between Any Two Given Dates, 365-day basis
- Exhibit D, USDA Rural Development - Single Family Guaranteed Rural Housing Future Recovery Calculator
- Exhibit E, Single Family Housing Guaranteed Loan Loss Claim and Future Recovery User Guide, Version 2.0 (User Guide)

To request a loss claim reimbursement, supporting documentation, noted on the Loss Claim Checklist along with the Loss Claim Input Worksheet and original executed Form RD 1980-20, should be submitted to the Agency. To process a loss claim upon receipt from the lender, the appropriate Agency staff, will ensure that the Loss Claim Input Worksheet and Form RD 1980-20 are accurately completed and that the supporting documentation accurately confirms the claim request. Agency staff should maintain in the borrower case file a completed Loss Claim Input Worksheet and Form RD 1980-20 (signed by the lender and a Rural Development Approving Official), along with all supporting documentation provided by the lender for 6 years. These files must be labeled, "Loss to the Government", in accordance with RD Instruction 2033-A.

In the future, once a lender has been approved to access GLS via the Internet, after it fully executes Application for Mortgage Loan Benefits Web Submission, Addendum E to the Basic Trading Partner Agreement (Addendum E) with the Agency, a lender will no longer be required to complete the Form RD 1980-20. The Addendum E process will coincide with the GLS implementation and phased in rollout with GRH lenders. When a lender has put into operation loss claim processing and future recovery processing via the Internet, then steps in this AN will no longer be applicable unless a manual-processing environment is required.

Estimated Net Recovery and Future Recovery Processing

The Real Estate Owned (REO) sold date establishes the settlement date for loss claims processed for REOs sold within six months of the acquisition date (the date of foreclosure sale or deed-in-lieu recordation). For REO that remains unsold during that time period, the settlement date is 6 months from the acquisition date, unless a 30-day extension is authorized by the Agency for a property under a sale contract. When the settlement date is reached, allowable interest accrual ceases and the loss claim must be filed within 30 days.

When submitting an estimated loss claim calculation on unsold REO, the Lender and Agency staff should use the Loss Claim Input Worksheet and the estimated sale price, which is based on a third-party liquidation value appraisal obtained by the Agency. This appraised value is multiplied by a cost factor, established by the Veteran's Administration, to estimate REO expenses.

When a REO property associated with a claim previously paid based on estimated sale proceeds is ultimately sold and the actual contract sale price is higher than the appraised value used to pay the claim, then the lender and Agency staff will calculate the future recovery owed to the Agency. The Future Recovery Calculator may be used along with the HUD-1 and the original loss claim to determine any future recoveries owed to the Agency. In addition to future recovery, other forms of recovery may be: collection of a deficiency judgment; reimbursement of insurance premiums or property taxes; or hazard insurance claim collections.

The Single Family Housing Guaranteed Loan Future Recovery Calculator (Future Recovery Calculator) is an automated worksheet that incorporates provisions for calculating future recoveries and should be utilized for all future recovery claims. The Rural Development office should complete Form RD 1980-20 with only items 1-9, item 29, and item 42 completed. Report type code "4" should be entered in item 1. Form RD 1980-20 should be signed by the appropriate approval official and forwarded to the Deputy Chief Financial Office, Attention: FC-350, Guaranteed Loan Branch to report the recovery. The recovery check should be processed as a miscellaneous collection on Form RD 451-2, "Schedule of Remittances", and forward to wholesale lockbox. Again, for all future recovery calculations, the automated Future Recovery Calculator should be used to determine the amount of future recovery a lender owes the Agency.

The Loss Claim Input Worksheet and Future Recovery Calculator are in a Microsoft Excel 2000 Template with the file name of *RD Loss V2.0.xlt*. The User Guide is a Microsoft Word document with a file name of *Loss Claim User Guide v2.0.doc*. The Loss Claim Input Worksheet, Future Recovery Calculator, and User Guide will be distributed via e-mail to each State Office upon issuance of this AN and can also be obtained by contacting Susanne Wilson via e-mail at Susanne.Wilson@usda.gov or Dean Daetwyler via e-mail at Dean.Daetwyler@usda.gov.

This Loss Claim Input Worksheet, Future Recovery Calculator, and User Guide, may be distributed to all servicing lenders. For lenders without Microsoft Excel, Rural Development staff can print and distribute the Manual Loss Claim Input Worksheet and the manual Form RD 1980-20, which are also included in the *RD Loss V2.0.xlt* Microsoft Excel workbook.

Questions about this AN can be directed to Susanne Wilson at (202) 720-9705 or Dean Daetwyler at (202) 690-0514 in the Single Family Housing Guaranteed Loan Division.

Attachments

EXHIBIT A

USDA RURAL DEVELOPMENT SINGLE FAMILY - GUARANTEED RURAL HOUSING LOSS CLAIM CHECKLIST

To file a RD SF-GRH loss claim, submit the following forms and documentation to the appropriate Rural Development office. In the space on the left, indicate the location of each document in your package.

NOTE TO AUTOMATED VERSION USERS: To facilitate Rural Development review, please save your loss claim input worksheet and submit it by email or diskette in addition to hard copies of all the listed forms and documentation.

_____ Original Form RD 1980-20, "Rural Housing Guarantee Report of Loss."

If property is sold, complete Items 1-14 and Sections A, B and E.

If property is in REO, complete Items 1-14 and Sections B, C, D and E.

Sign and date the form.

NOTE TO AUTOMATED VERSION USERS: THE COMPLETION OF FORM RD 1980-20 IS AUTOMATED IF THE EXCEL TEMPLATE, RD Loss V2.0.xlt, "GRH Loss Claim Input Wrksht" IS COMPLETED. COMPLETE THE INPUT WORKSHEET, THEN CLICK ON THE TAB "Automated Form RD 1980-20." PRINT, SIGN AND DATE THE FORM.

_____ GRH Loss Claim Input Wksht

(If REO is unsold, request a liquidation appraisal from Rural Development and complete Part VI once you receive appraised value from Rural Development)

_____ Property marketing summary to support REO marketing activity **(Sold and Unsold REO)**

(Include listing agreement and any amendments/addendums)

_____ Copy of consolidated default log detailing all servicing contacts with the borrower.

_____ Payment History reflecting all application of payments, association fees and escrow disbursements.

_____ Copy of appraisal(s) and/or BPO(s).

_____ Verification of first legal action

_____ Report or verification of foreclosure sale.

(i.e., recorded foreclosure deed, etc.)

_____ Copy of HUD-1 (Settlement Statement), if property is sold.

_____ Documentation of Protective Advance expense, including interest accrual calculation.

(Copy of accounting ledger listing protective advances)

_____ Documentation of claimed expenses.

(copy of accounting ledger listing corporate advances and all associated invoices)

_____ Documentation of Buydown Escrow account.

Part V - Loss Claim Worksheet

USDA RURAL DEVELOPMENT SINGLE FAMILY - GUARANTEED RURAL HOUSING AUTOMATED MANUAL LOSS CLAIM INPUT WORKSHEET

RD USE ONLY
Date Claim Received

PART I GENERAL INFORMATION

	Borrower SSN
	Lender Loan Number
	Borrower Name
	Co-Borrower SSN
	Co-Borrower Name
	Borrower's Last Known Mailing Address
	City, State and ZIP
	Borrower's Last Known Phone Number
	Loss Claim Contact Person
	Loss Claim Contact Phone Number (10-digit phone number)
	Loss Claim Contact Fax Number (10-digit phone number)
	Loss Claim Contact Email Address
	Servicing Lender ID No. (9-digit Tax ID - Employer Identification Number)
	Servicing Lender Branch No. (3 digit, Rural Development assigned)
	Servicing Lender Name
	Holding Lender ID No. (9-digit Tax ID - Employer Identification Number)
	Holding Lender Branch No. (3 digit, Rural Development assigned)
	Holding Lender Name
	Holding Lender Address
	Holding Lender City, State and ZIP of Payee
	Recipient (Payee) of Loss Payment (Enter name of Servicing or Holding Lender)
	Report Type Code: 2 = Final Loss; 4 = Recovery; B = Adjustment to Loss
\$ -	Original Loan Amount (Amount on which the guarantee was based)
\$ -	Modified Loan Amount, if applicable
\$ -	Escrow Balance As of Last Borrower Payment
\$ -	Other Recovery (Example: insurance loss, judgment collection)
\$ -	Cost of Collection of "Other Recovery" listed above
	Method of Liquidation: Foreclosure, Deed-in-Lieu, Short-Sale or Foreclosure/3rd Party
\$ -	Original List Price
	Original List Date (mm/dd/yyyy)
\$ -	Final List Price
	Final List Date (mm/dd/yyyy)
\$ -	Amount Property Sold For (Complete if property sold to third party)

PART II CALCULATION OF ACCRUED INTEREST

\$ -	Unpaid Principal
-	Current Note Interest Rate (Use decimal form, example: 10.25)
\$ -	Daily Interest Accrual
	Due Date (mm/dd/yyyy) of Last Payment Made (Date Interest Paid Through)
	A. Date of Foreclosure Initiation, if applicable
	B. Date of Foreclosure Sale or DIL Execution
	C. Date of Redemption Expiration, if applicable
	D. Number of Bankruptcies Filed (> one bankruptcy use Additional Bankruptcy Worksheet)
	E. Date(s) Bankruptcy Filed, if applicable
	F. Bankruptcy Chapter
	G. Bankruptcy Case No.
	H. Due Date of Last Payment Made Prior to Bankruptcy
	I. Date(s) Bankruptcy Released, if applicable
	J. Date Eviction Started, if applicable
	K. Date Eviction Completed, if applicable

EXHIBIT B

Settlement Date. (mm/dd/yyyy) (Complete one of the following.)

<=====

A. Sale Date If Sold To Third Party

<=====

B. Up To 6 Months from date of Foreclosure if Property Not Sold

<=====

C. Date Mutually Determined By Lender and RD

Number of Days

\$ - TOTAL ACCRUED INTEREST CLAIMED

PART III FORECLOSURE PROTECTIVE ADVANCES PAID PRIOR TO SETTLEMENT DATE

Type of Advance	Advance Date	Effective Date	Amount

\$ - TOTAL PROTECTIVE ADVANCE

\$ - Interest on Protective Advances paid prior to Foreclosure Sale Date: (Optional: Rural Development will calculate based on advance date and debenture interest rate)

\$ - Amount of last insurance premium (as listed above)

Effective Date (mm/dd/yyyy) of last insurance paid (as listed above)

Number of days policy in force

% Lender's Prorated Portion

\$ - Prorated insurance subtracted in claim (Amount of Last Ins. Prem. times % of Lender's Prorated Portion)

PART IV EXPENSES ASSOCIATED WITH ACQUISITION, HOLDING, AND/OR SALE OF PROPERTY

	<u>Liquidation</u> <u>Costs Pre</u> <u>FCL/DIL Date</u> <u>Complete Cell C-47</u>	<u>REO Costs</u> <u>Post FCL/DIL</u> <u>Date</u> <u>Complete Cell C-47</u>	<u>Total (Automated)</u>
Foreclosure Attorney Fees	\$ -	\$ -	\$ -
Foreclosure Attorney Costs	\$ -	\$ -	\$ -
Eviction expenses	\$ -	\$ -	\$ -
Bankruptcy Fees	\$ -	\$ -	\$ -
Bankruptcy Costs	\$ -	\$ -	\$ -
Property Inspections	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -
Property Preservation	\$ -	\$ -	\$ -
Property Maintenance	\$ -	\$ -	\$ -
Pre-authorized Repairs	\$ -	\$ -	\$ -
Sales Expense	\$ -	\$ -	\$ -
Appraisal/BPO	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

PART V BUY DOWN

\$ - Buy Down Balance Remaining In Escrow

PART VI ESTIMATED NET RECOVERY CALCULATION FOR UNSOLD REO

Complete ONLY if the property is still in REO at the time of this claim

\$ - Appraised Value (Provided by Rural Development)

0 Acquisition Management, Resale Factor (Per Exhibit D of RD Instruction 1980-D)

\$ - Appraised Value X Factor

EXHIBIT C

TABLE TO DETERMINE THE NUMBER OF DAYS BETWEEN ANY TWO GIVEN DATES 365 DAY BASIS

To find the number of days between any two given dates, proceed as follows:

1. Find the number for the earlier of the two dates by locating the day of the month in the left hand column of the Table entitled "FIRST YEAR," and proceed across the table until the desired month is reached.
2. Find the number for the later date by using either the "FIRST YEAR" or the "SECOND YEAR" table. The "SECOND YEAR" table is used if the later date falls in the succeeding year.
3. Subtract the earlier date "number" from the latter date "number" to determine the number of days between the two dates.

NOTE: *If the second date is into a third calendar year, add 365 to the result of instruction #3 for each additional calendar year.*

FIRST YEAR

DAY OF MONTH	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1	1	32	60	91	121	152	182	213	244	274	305	335
2	2	33	61	92	122	153	183	214	245	275	306	336
3	3	34	62	93	123	154	184	215	246	276	307	337
4	4	35	63	94	124	155	185	216	247	277	308	338
5	5	36	64	95	125	156	186	217	248	278	309	339
6	6	37	65	96	126	157	187	218	249	279	310	340
7	7	38	66	97	127	158	188	219	25	280	311	341
8	8	39	67	98	128	159	189	220	251	281	312	342
9	9	40	68	99	129	160	190	221	252	282	313	343
10	10	41	69	100	130	161	191	222	253	283	314	344
11	11	42	70	101	131	162	192	223	254	284	315	345
12	12	43	71	102	132	163	193	224	255	285	316	346
13	13	44	72	103	133	164	194	225	256	286	317	347
14	14	45	73	104	134	165	195	226	257	287	318	348
15	15	46	74	105	135	166	196	227	258	288	319	349
16	16	47	75	106	136	167	197	228	259	289	320	350
17	17	48	76	107	137	168	198	229	260	290	321	351
18	18	49	77	108	138	169	199	230	261	291	322	352
19	19	50	78	108	139	170	200	231	262	292	323	353
20	20	51	79	110	140	171	201	232	263	293	324	354
21	21	52	80	111	141	172	202	233	264	294	325	355
22	22	53	81	112	142	173	203	234	265	295	326	356
23	23	54	82	113	143	174	204	235	266	296	327	357
24	24	55	83	114	144	175	205	236	267	297	328	358
25	25	56	84	115	145	176	206	237	268	298	329	359
26	26	58	85	116	146	177	207	238	269	299	330	360
27	27	58	86	117	147	178	208	239	270	300	331	361
28	28	59	87	118	148	179	209	240	271	301	332	362
29	29	*	88	119	149	180	210	241	272	302	333	363
30	30		89	120	150	181	211	242	273	303	334	364
31	31		90		151		212	243		304		365

EXHIBIT C

**TABLE TO DETERMINE THE NUMBER OF DAYS BETWEEN ANY
TWO GIVEN DATES**
SECOND YEAR

365 DAY BASIS

DAY OF MONTH	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1	366	397	425	456	486	517	547	578	609	639	670	700
2	367	398	426	457	487	518	548	579	610	640	671	701
3	368	399	427	458	488	519	549	580	611	641	672	702
4	369	400	428	459	489	520	550	581	612	642	673	703
5	370	401	429	460	490	521	551	582	613	643	674	704
6	371	402	430	461	491	522	552	583	614	644	675	705
7	372	403	431	462	492	523	553	584	615	645	676	706
8	373	404	432	463	493	524	554	585	616	646	677	707
9	374	405	433	464	494	525	555	586	617	647	678	708
10	375	406	434	465	495	526	556	587	618	648	679	709
11	376	407	435	466	496	527	557	588	619	649	680	710
12	377	408	436	467	497	528	558	589	620	650	681	711
13	378	409	437	468	498	529	559	590	621	651	682	712
14	379	410	438	469	499	530	560	591	622	652	683	713
15	380	411	439	470	500	531	561	592	623	653	684	714
16	381	412	440	471	501	532	562	593	624	654	685	715
17	382	413	441	472	502	533	563	594	625	655	686	716
18	383	414	442	473	503	534	564	595	626	656	687	717
19	384	415	443	474	504	535	565	596	627	657	688	718
20	385	416	444	475	505	536	566	597	628	658	689	719
21	386	417	445	476	506	537	567	598	629	659	690	720
22	387	418	446	477	507	538	568	599	630	660	691	721
23	388	419	447	478	508	539	569	600	631	661	692	722
24	389	420	448	479	509	540	570	601	632	662	693	723
25	390	421	449	480	510	541	571	602	633	663	694	724
26	391	422	450	481	511	542	572	603	634	664	695	725
27	392	423	451	482	512	543	573	604	635	665	696	726
28	393	424	452	483	513	544	574	605	636	666	697	727
29	394	*	453	484	514	545	575	606	637	667	698	728
30	395		454	485	515	546	576	607	638	668	699	729
31	396		455		516		577	608		669		730

EXHIBIT D

USDA RURAL DEVELOPMENT
SINGLE FAMILY - GUARANTEED RURAL HOUSING
FUTURE
RECOVERY CALCULATOR

BORROWER NAME: _____ Borrower SSN: _____ LENDER LOAN NUMBER: _____ LENDER TAX ID NO. (9 digit number): _____ LENDER NAME: _____ DATE OF ORIGINAL LOSS CLAIM (mm/dd/yyyy): _____	
SEE THE "USER GUIDE" FOR COMPLETE INSTRUCTIONS ON USING THE "FUTURE RECOVERY CALCULATOR"	
All Fields Must be Completed	
TOTAL LOSS (Net Loss Amount from the GLS Payment Information Section of View/Update screen or the Advice of Payment/Notice of Termination)	
TOTAL COMPUTED LOSS PAYABLE (Loss Amount Paid to Lender from Computed Loss Info Section/View/Update screen of GLS or the Advice of Payment/Notice of Termination)	
ORIGINAL LOAN AMOUNT	
LIQUIDATION APPRAISED VALUE	
AMOUNT REO PROPERTY WAS SOLD TO THIRD PARTY (Contract Price from HUD-1)	
DIFFERENCE BETWEEN LIQUIDATION APPRAISED VALUE AND AMOUNT SOLD TO 3rd PARTY (Automated)	\$0.00
ENTER EITHER THE ACTUAL PERCENTAGE OR DOLLARS AMOUNT OF REO SALES COMMISSION BELOW	
ACTUAL PERCENTAGE RATE OF COMMISSION FOR REO SALE (Enter the actual Commission percentage rate charged to sell the REO) OR	
ACTUAL DOLLAR AMOUNT OF COMMISSION FOR REO SALE (Enter the actual commission charged to sell the REO)	
ERROR! You may only enter one value for REO Sales Commission Expense. Either a percentage or a dollar value. You must enter a value in one field. A Zero is a valid value. One of the fields must be blank. Please correct!	
ALLOWANCE FOR ADDITIONAL COMMISSION (Commission capped at 6% of Difference between Appraised Value and Actual Sale Price) (Automated)	\$0.00
COST OF CAPITAL IMPROVEMENTS DIRECTLY RESULTING IN AN INCREASED SALES PRICE	
AMOUNT OF RD APPROVED SELLER CONCESSIONS BEYOND WHAT IS CUSTOMARY	
ADJUSTED SALES PRICE (Automated)	\$0.00
NET DIFFERENCE BETWEEN LIQUIDATION APPRAISED VALUE AND ADJUSTED SALES PRICE TO 3rd PARTY (Automated)	\$0.00
OTHER RECOVERY NOT IN ORIGINAL CLAIM (Judgment, Insurance claim, etc.)	
SUM OF PREVIOUSLY REPORTED RECOVERY (Not included in original Claim)	
SUM OF PREVIOUSLY REPORTED RECOVERY PAID TO RURAL DEVELOPMENT	
35% of ORIGINAL LOAN AMOUNT (Automated)	\$0.00
TOTAL AMOUNT OF LOSS > 35% OF LOAN (Automated)	\$0.00
TOTAL AMOUNT OF RECOVERY (Automated)	\$0.00
ALLOCATION OF RECOVERY: Split between Rural Development and Lender	
RHS's 85% OF AMOUNT OF RECOVERED LOSS > 35% OF LOAN (Automated)	\$0.00
LENDER'S 15% PORTION OF LOSS > 35% OF LOAN (Automated)	\$0.00
SUMMARY OF TOTAL TO RURAL DEVELOPMENT:	
RD's 100% of the Difference Between Total Recovery & Loss over 35% (Automated)	\$0.00
RD's 85% OF SPLIT (Automated)	\$0.00
(LESS) PREVIOUS RECOVERY PAYMENTS MADE TO RURAL DEVELOPMENT (Automated)	\$0.00
AMOUNT LENDER TO PAY RURAL DEVELOPMENT (Maximum capped at Total Loss) (Automated):	Error Above!



Committed to the future of rural communities

***SINGLE FAMILY HOUSING
GUARANTEED LOAN
LOSS CLAIM
AND
FUTURE RECOVERY***

USER GUIDE

Version 2.0

LOSS CLAIM AND FUTURE RECOVERY **USER GUIDE**

Introduction

Advantages of the Automated GRH Loss Claim Process

Helpful Hints

GRH LOSS CLAIM INPUT WORKSHEET

Starting Point

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Part III Foreclosure Protective Advances Paid Prior to Settlement Date

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Printing and Submitting the Loss Claim Input Worksheet

FUTURE RECOVERY CALCULATOR

Starting Point

Printing and Mailing the Future Recovery Calculator

LOSS CLAIM AND FUTURE RECOVERY

USER GUIDE

Introduction

The *Single Family Housing Guaranteed Loan Loss Claim and Future Recovery User Guide, Version 2.0 (User Guide)* provides comprehensive instructions for the Guaranteed Rural Housing Loss Claim Input Worksheet (filename *RD Loss V2.0.XLT*), a Microsoft Excel workbook that is an enhancement of the previous version, *RH Loss V12.XLT*. This workbook is for participating lender servicers and Rural Development (RD) (also referred to as “the Agency” throughout this document), guaranteed rural housing (GRH) program personnel to use in preparing Single Family Guaranteed Rural Housing (GRH) loss claims and future recovery remittances.

The workbook includes the *GRH Loss Claim Checklist* and the *GRH Loss Claim Input Worksheet*, which upon completion automatically fills the Form RD 1980-20, “*Rural Housing Guarantee Report of Loss*,” for printing and signature. A *Future Recovery Calculator* worksheet is included which will calculate the amount of any future recovery owed Rural Development. The *Future Recovery Calculator* worksheet includes an allowance for certain capital improvement expenses and Real Estate Owned (REO) seller concessions incurred by the lender, which resulted in an increased sales price for the REO property. The calculator also calculates an allowance for real estate commissions based on the difference between the liquidation appraised value in which the loss claim was based and the actual sales price of the REO. A *Loss Claim Manual Input Worksheet* and *Manual Form RD 1980-20* are also included so a user may print and complete these forms if needed. Additionally, the *Table to Determine the Number of Days Between Any Two Given Dates, 365-Day Basis*, is included for the calculation of interest accrual and can be used to determine the number of days between any two given dates. The Agency no longer calculates loss payments on a 360-day basis. Any of the worksheets can be printed and used manually. However, a lender with Microsoft Excel capability is encouraged to use should use the automated version to complete the loss claim or future recovery calculations.

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LOSS CLAIM AND FUTURE RECOVERY

USER GUIDE

Advantages of the Automated GRH Loss Claim Process

- ⇒ *Increased efficiency* reduces the need for manual review of supporting documentation, allowing for enhanced claim processing speed and uniformity.
- ⇒ *User-friendly* template opens directly into the *GRH Loss Claim Input Worksheet* where the user enters the loan level detail. Worksheets are clearly labeled to facilitate access and printing of the completed worksheets and Form RD 1980-20, "Rural Housing Guarantee Report of Loss."
- ⇒ *Fast completion* when the input figures are readily available so that the User may complete claim forms in minutes.
- ⇒ *Automated computations*, including the number of days of interest accrual, prevents errors. For example, the automated *GRH Loss Claim Input Worksheet* and Form RD 1980-20 are designed so that appropriate sections are left blank if a lender has **not** sold the REO and is basing the claim on a "liquidation" property value and estimated REO management and disposition costs.
- ⇒ *"Warning" messages* are built in to help the user enter the right variable in the correct section of the form and to alert the user when a loss exceeds the 90 percent limit or when there is no loss.
- ⇒ *Enhanced Guidance* is given in "comment boxes" that provide more information on what's required in certain fields when the user clicks on the small red triangles in a field.
- ⇒ *Detailed Information* is included when calculating loss claims when more than one bankruptcy has occurred. Users will benefit from the new automated *Additional Bankruptcy Worksheet*.

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LOSS CLAIM AND FUTURE RECOVERY

USER GUIDE

Helpful Hints

⇒ The workbook (*RD Loss V2.0.XLT*) contains multiple worksheets. Scroll over the eight tabs along the bottom of a spreadsheet and click on the tab that you would like to open when processing a loss claim or future recovery. The User Guide includes the following worksheets:

- *GRH Loss Claim Checklist*
- *GRH Loss Claim Input Worksheet*
- *Additional Bankruptcy Worksheet*
- *Automated Form RD 1980-20*
- *Future Recovery Calculator*
- *Manual GRH Loss Input Worksheet*
- *Manual Form RD 1980-20*
- *Table 365*

Note: To find all of the worksheets, use the scroll bar arrows located to the left of the worksheet tabs.

- ⇒ The *GRH Loss Claim Input Worksheet* is the primary worksheet used to complete a loss claim. The data collected and input will pre-fill the entire automated Form RD 1980-20 worksheet.
- ⇒ Row references provide the actual row number in the spreadsheet and are located on the left of your spreadsheet screen.
- ⇒ The worksheets are protected and may not be unprotected or changed.
- ⇒ To move through the application, the *Tab* or *Enter* key will automatically take you to the next input cell.
- ⇒ All cells are formatted and designed to reduce data entry keystrokes. For example, do not enter dollar signs (\$) or commas; simply enter decimal figures such as 9003.57 for \$9,003.57.
- ⇒ All computations are automated.
- ⇒ An Asterisk * indicates fields that are auto-populated and automatically calculated.

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GRH LOSS CLAIM INPUT WORKSHEET

Starting Point

File Name: RD Loss V2.0.XLT

To begin completing a loss claim, open the file *RD Loss V2.0.XLT* (a Microsoft Excel 2000 workbook). The GRH Loss Claim Checklist appears. The checklist should be used to as a guide of forms and documentation required for the loss claim process. To begin the loss claim process, click on the *GRH Loss Claim Input Worksheet* tab. Your cursor should be in data field (Row 6, Column A) under the heading Part I, *General Information*. **Field** locations (row numbers) are listed below and refer to the location in the spreadsheet that corresponds to the information that the user should enter, when applicable.

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Part I General Information

<u>Field</u>	<u>Enter/Input</u>
6	Borrower Social Security Number without hyphens (i.e., 241712345 will be displayed as 241-71-2345)
7	Servicer Loan Number
8	Borrower Name
9	Co-borrower Social Security Number (SSN) without hyphens
10	Co-borrower Name
11	Borrower's Last Known Mailing Address <i>Note: If forwarding information is unknown, enter the property address and phone number.</i>
12	City, State and Zip Code
13	Borrower's last known telephone number
14	Name of the lender's Loss Claim Contact Person for the Rural Development account
15	Telephone number for the lender's Loss Claim Contact Person (10-digit number)
16	Fax telephone number for the lender's Contact Person (10-digit number)
17	E-mail address for the lender's Loss Claim Contact Person
18	Servicing Lender ID Number (9-digit Tax ID number without hyphens (i.e., enter 123456789)).
19	Servicing Lender Branch Number (3-digit Rural Development assigned branch number for the lender)
20	Servicing Lender Name
21	Holding Lender ID Number (9-digit Tax ID number without hyphens (i.e., enter 123456789)).
22	Holding Lender Branch Number (3-digit Rural Development assigned branch number for the lender)
23	Holding Lender Name
24	Holding Lender Address
25	Holding Lender City, State and Zip Code
26	Recipient (Payee) of Loss Claim Payment (Use the drop down list to select the Payee and you must complete field 20 and field 23 to populate the dropdown)
27	Report Type Code (Select response from the drop down list. The default is "2-Final Loss".
28	Original Loan Amount on which the loan guarantee was based
29	Modified Loan Amount, applicable only when original amount, was modified

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LOSS CLAIM AND FUTURE RECOVERY

USER GUIDE

Loss Claim Input Worksheet (Continued)

Part I General Information (continued)

<u>Field</u>	<u>Enter/Input</u>
30	Escrow Balance as of the application of Last Borrower Payment
31	Other Recovery (i.e., Insurance Loss, Judgment Collection, interest on escrow, pro-rated real-estate taxes, etc.)
32	Cost of Collection of "Other Recovery" listed above. Cost of collection may not exceed other recovery. Documentation for cost of collection must be provided.
33	Method of Liquidation <i>Note: Select one from the drop down list: Foreclosure, Deed-in-Lieu, Short Sale, or Foreclosure/3rd Party</i>
34	Original List Price
35	Original List Date (mm/dd/yyyy)
36	Final List Price
37	Final List Date (mm/dd/yyyy)
38	Amount Property Sold For (completed when REO property is sold to third party)

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LOSS CLAIM AND FUTURE RECOVERY USER GUIDE

Loss Claim Input Worksheet (Continued)

Part II Calculation of Accrued Interest

<u>Field</u>	<u>Enter/Input</u>
42	Unpaid principal balance of the loan (not including interest or protective advances)
43	Current Note Interest Rate (decimal format, i.e. 10.25, 7.875)
44*	* Daily Interest Accrual
45	Due Date (mm/dd/yyyy) of the Last Borrower Payment Made (Date Interest Paid Through)
46	Date of Foreclosure Initiation, if applicable. This field is required for foreclosure and foreclosure to third-party liquidation methods and is the date of the first legal action required by law to initiate foreclosure.
47	Date of Foreclosure Sale or Deed-in-Lieu (DIL) execution (do not include post-sale redemption or sale confirmation period)
48	Date of Redemption Period Expiration, if applicable (Required for properties in states with redemption rights)
49	Number of Bankruptcy(s) Filed
50	Date(s) Bankruptcy Filed, if applicable. If borrower has more than one bankruptcy then utilize the <i>Additional Bankruptcy Worksheet</i> . You may then input all additional bankruptcies. Single click on the gray button located to the right of Row 49. Then input up to three <i>Additional Bankruptcies</i> , as follows:
	Row 8 Date Bankruptcy was filed, if applicable
	Row 9 Bankruptcy Chapter
	Row 10 Bankruptcy Case Number
	Row 11 Due Date of Last Payment Made Prior to Bankruptcy
	Row 12 Date Bankruptcy Released, if applicable
51	Bankruptcy Chapter Number Filed (if more than one, use the <i>Bankruptcy Worksheet</i> , and enter in sequential order)
52	Case Number(s) of the Bankruptcy Filed (if more than one, use the <i>Bankruptcy Worksheet</i> and enter in sequential order)
53	Due Date of Last Payment made prior to Bankruptcy. This date corresponds with the first bankruptcy filed as listed on the loss claim and prior to any subsequent payments made during the bankruptcy period.
54	Date Bankruptcy Released or Dismissed or Motion for relief was granted, if applicable
55	Date Eviction Started, if applicable
56	Date Eviction Completed, if applicable
57	<i>Input is not required in this row. Complete "Settlement Date" value in row 58, 59, or 60.</i>
58	Sale Date if Sold to Third Party (enter only one date)
59	Date up to 6 Months from Date of Foreclosure if Property Not Sold (enter only one date)
60	Date Mutually Determined by Lender and Rural Development (enter only one date) <i>Note: If date is entered on more than one row (in rows 53-55), or if no date is entered, an error message will appear.</i>
61*	* Number of Days of Interest
62*	* Total Accrued Interest Claimed

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USER GUIDE

Loss Claim Input Worksheet (Continued)

Part III Foreclosure Protective Advances Paid Prior to Settlement Date

To complete this section a user will obtain the applicable information from lender records such as, a "mortgage loan" servicing history.

<u>Field</u>	<u>Enter/Input</u>
66-78	Select the Type of Advance (i.e., Insurance, Forced Placed Insurance, Property Taxes, etc.) and also enter corresponding Advance Date, Effective Date (required for insurance) and Amount of Advance (paid after the date of the last borrower payment)
79	<i>Input is not required in this row and row may be hidden.</i>
80*	* Total Protective Advance
81*	* Interest on Protective Advances Paid Prior to Foreclosure Sale Date – Optional field which Rural Development calculates based on advance date and debenture interest rate *
82	<i>Input is not required in this row.</i>
83	Amount of Last Insurance Premium listed above (Includes all insurance, paid after the date of the last borrower payment, but before liquidation of the account.)
84	Effective Date (mm/dd/yyyy) of Last Insurance Paid listed above
85*	* Number of Days Policy in Force
86*	* Percentage of Lender's Prorated Portion – <i>populated from standard insurance prorating schedule</i>
87*	* Prorated Insurance Subtracted in Claim (amount of last insurance premium multiplied by the percentage of the Lender's prorated portion)

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USER GUIDE

Loss Claim Input Worksheet (Continued)

Part IV Expenses Associated with Property Acquisition, Holding, and/or Sale

Complete this section for a pre-foreclosure sale, a sale to a third party at the foreclosure sale, or a REO property sale. Enter only eligible fees and retain all receipt copies.

Note: Each row of expenses must be segregated between costs incurred prior to title acquisition (Liquidation Costs Pre-foreclosure or Deed-in-Lieu date) and costs incurred after acquisition of title (REO Costs Post-foreclosure or Deed-in-Lieu date).

* **Note:** Fields with an asterisk (*) are system calculated and do not require user input.

<u>Field</u>	<u>Enter/Input</u>
91	Actual Foreclosure Attorney Fees incurred associated with the most recent liquidation action.
92	Actual Foreclosure Attorney Costs incurred associated with the most recent liquidation action. <i>Note: The Agency will not reimburse attorney fees or costs (Row 91 and 92) incurred for a prior liquidation action which was reinstated by the borrower, voluntarily or through bankruptcy, or for which the foreclosed property was redeemed.</i>
93	Actual Eviction Expenses incurred.
94	Actual Bankruptcy Attorney Fees incurred associated with the most recent liquidation action.
95	Actual Bankruptcy Attorney Costs incurred associated with the most recent liquidation action. <i>Note: The Agency will not reimburse attorney fees or costs incurred for a prior liquidation action which was reinstated by the borrower, voluntarily or through bankruptcy, or for which the foreclosed property was redeemed.</i>
96	Amount of <i>written</i> property inspections performed by a property preservation company or licensed inspector (such as a termite and dry rot company). Inspections performed by realtors are not reimbursed.
97	Amount of Actual Utility Costs (i.e., electric, gas, water)
98	Property Preservation Costs. Enter one-time costs associated with securing and preserving the property (i.e., lock changes, debris removal, winterization).
99	Property Maintenance Costs that cover recurring fees (i.e., yard maintenance, snow removal).
100	Pre-authorized Repairs (i.e., cosmetic and structural repairs approved by Rural Development).
101	Sales Expenses. Enter the amount of seller paid closing costs deducted from contract sales price found on the HUD-1. Lenders are to deduct any credits from the HUD-1 against actual sales expenses for taxes or ineligible expenses such as outsourced REO management fees.
102	Appraisal Value or Broker Price Opinion (BPO). Enter the cost of property valuations.
103	Amount of any other miscellaneous expenses actually incurred but not categorized in Rows 91-102. An example of a miscellaneous expense could be a pre-foreclosure BPO for foreclosure bid.
104*	* Total of all expenses associated with liquidation and REO disposition - <i>automated field</i> *

Note: If the property is unsold, then fields 96 through 99 and 101 through 103, under **REO Costs Post FCL/DIL Date** column, are not calculated in this part because the costs are included in the **REO Acquisition Factor**.

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LOSS CLAIM AND FUTURE RECOVERY **USER GUIDE**

Loss Claim Input Worksheet (Continued)

Part V Buydown

<u>Field</u>	<u>Enter/Input</u>
108	Buydown Balance Remaining in Escrow, if applicable.

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Part VI Estimated Net Recovery (ENR) Calculation for Unsold REO

Complete this section **only** if the property was not sold and is in the lender's REO inventory at the time of the Estimated Net Recovery (ENR) claim.

* **Note:** Fields with an asterisk (*) are system calculated and do not require user input.

<u>Field</u>	<u>Enter/Input</u>
112	Appraised Value (Lenders must request a liquidation appraisal from the Agency. Once the appraisal is received by the Agency, the Agency will provide the value to the lender and it should be entered here.)
113	Acquisition Management, Resale Factor (See "RD Instruction 1980-D, Exhibit D")
114*	* Appraised Value 'X' Factor

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LOSS CLAIM AND FUTURE RECOVERY **USER GUIDE**

Loss Claim Input Worksheet (Continued)

Printing and Submitting the Loss Claim Input Worksheet

Submit the completed *GRH Loss Claim Input Worksheet* and the *Additional Bankruptcy Worksheet*, if applicable, along with the completed, signed; Form RD 1980-20 and any required supporting documentation.

Printing the GRH Loss Claim Forms:

- ⇒ "Print" buttons are located in Row 116 and you should click on one of the following:
 - *Print GRH Loss Claim Input Worksheet*
 - *Print GRH Loss Claim Input Worksheet and Additional Bankruptcy Worksheet*
- ⇒ Click on the worksheet tab, *Automated Form RD 1980-20*, and print.
- ⇒ Click on the worksheet tab, *GRH Loss Claim Checklist*, and print.

Lenders Submit the GRH Loss Claim Input Worksheet:

Send the completed *GRH Loss Claim Input Worksheet* (and *Bankruptcy Worksheet*, if applicable) and an original, completed and **signed** Form RD 1980-20, with all items (as listed on the *GRH Loss Claim Checklist*) and any other required supporting documentation to the appropriate Rural Development office. If you need blank *GRH Loss Claim Worksheets* and Forms RD 1980-20, for manual completion by your staff, click on the worksheets *GRH Loss Claim Manual Input Worksheet* and *Manual Form RD 1980-20* respectively, and print.

Note: Electronic submissions - to facilitate Rural Development claim review, lenders are encouraged to submit a digital copy of the file by email or diskette, as well as the hard copy documentation. The digital file can also be saved for any future recovery needs.

RD Steps:

- ⇒ Review the loss claim request and supporting documentation submitted by the lender.
- ⇒ Obtain the signature of the Rural Development Approval Official on the completed Form RD 1980-20.
- ⇒ Enter the loss claim into the automated Guaranteed Loan System (GLS) Loss Claim Add/Update section.
- ⇒ Notify the lender of their processed claim.

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LOSS CLAIM AND FUTURE RECOVERY

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FUTURE RECOVERY CALCULATOR

The *Future Recovery Calculator* worksheet located within the file **RD Loss V2.0.XLT**, is used to calculate the amount a lender is required to pay the Agency when a lender recovers funds after a loss claim is paid. Future recovery can be in two different forms:

A. *Actual Payment* - For example, a check received for a delayed insurance payment, a collection on a deficiency judgment, or other similar payments.

B. *Higher than Estimated Sale Price* - When the loss claim is calculated for unsold REO (**Estimated Net Recovery** claim), it is based on an estimated sale price established by a third party "liquidation" value appraisal of the property. If the property actually sells at a higher price, the difference must be reported to the Agency as a future recovery.

Note: If the property sells for a lower price, the Agency does not reimburse the lender for additional loss.

The *Future Recovery Calculator* takes into account the relative percentage of loss borne by the Agency and the lender based on the original claim, and calculates the amount of the recovery owed to the Agency.

When using the *Future Recovery Calculator*, the user should have a copy of the **Advice of Payment/Notice of Termination** on which the original loss claim payment was based.

Additionally, the user must have:

- A-1. The amount of any future recovery collected by the lender; and/or
- B-2. The amount for which the property was sold.

Rural Development field staff and lenders can use the *Future Recovery Calculator* to calculate future recovery owed the Agency. Lenders should complete the worksheet and submit a copy of the worksheet to the Agency for review. Following the review, the lender should send a copy of the worksheet along with a check, in the indicated amount, to the appropriate Rural Development office.

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LOSS CLAIM AND FUTURE RECOVERY

USER GUIDE

FUTURE RECOVERY CALCULATOR (Continued)

Starting Point

File Name: *RD Loss v2.0.XLT* (Microsoft Excel Template)

Worksheet Name: *Future Recovery Calculator*

Open the file **RD Loss v2.0.XLT** and click on the *Future Recovery Calculator* tab. Use the **Field** locations (row numbers) below, which refer to the location in the spreadsheet that corresponds to the information that the user should enter, when applicable. References to Report of Loss Form RD 1980-20 (Forma RD 1980-20) refer to the form on which the original loss claim payment was based.

* **Note:** Fields with an asterisk (*) are system calculated and do not require user input.

<u>Field</u>	<u>Enter/Input</u>
1	Borrower's full name
2	Borrower's Social Security Number
3	Lender's loan number for this borrower
4	Lender's Tax ID number (9-digit number without the leading zero, i.e. 123456789)
5	Lender's Name from Item 9 of Form RD 1980-20
6	Date of original loss claim from Item 2 of Form RD 1980-20
8	Net Loss Amount from the Advice of Payment/Notice of Termination .
9	Primary Loss Amount Paid Lender from the Advice of Payment/Notice of Termination .
10	Original loan amount from Item 27 of Form RD 1980-20
11	Liquidation appraised value of the property from Item 23 of Form RD 1980-20
12	Amount for which the REO property was sold to third party
13*	*Difference between Appraised Value and Amount Sold to 3 rd Party
14	<i>This row includes instructions for rows 14 and 15: "Either the actual percentage or the dollar amount of REO Sales Commission should be entered."</i>
15	Actual percentage rate of Commission for REO Sale - Enter the actual Commission percentage rate charged to sell the REO, OR
16	Actual dollar amount of real estate Commission for REO Sale - Enter the actual Commission charged to sell the REO
18*	*Allowance for Additional Commission - Commission is based on the difference between the Liquidation Appraised Value and the Actual Sales Price. (If a commission is entered that exceeds 6%, the amount shown will be capped at 6%)
19	Cost of any capital improvement expenses the lender incurred that directly resulted in an increase in the sales price of the REO property. This does not include additional interest, taxes, insurance, closing fees, appraisals, inspections, winterization, lawn care, pest inspections, etc. These expenses were already considered in the original loss claim by utilizing the Acquisition/Management Factor. If you have any questions on what can be included as capital improvement, please contact the Agency.
20	Amount of Rural Development approved seller concessions paid from the sale proceeds above what is reasonable and customary for the area, which directly resulted in an increased sales price.
21*	*Adjusted sales price
22*	*Net difference between the Liquidation Appraised Value and the Actual Sales Price to 3 rd Party

LOSS CLAIM AND FUTURE RECOVERY

USER GUIDE

FUTURE RECOVERY CALCULATOR (Continued)

<u>Field</u>	<u>Enter/Input</u>
23	Other Recovery Amount collected by the lender not included in the original loss claim and not previously reported to Rural Development.
24	Sum of any previously reported recovery and not included in original claim submission.
25	Sum of previously paid recovery to Rural Development. This amount may be equal to or less than the amount indicated on Row 24.
26*	* 35% of Original Loan Amount
27*	* Total Amount of Loss > 35% of Loan Amount
28*	* Total Amount of Recovery
29-30	<i>These rows indicate that rows 31-32 provide the Allocation of Recovery, split between Rural Development and the Lender.</i>
31*	* RD's 85% of amount of Recovered Loss >35% of the Loan Amount
32*	* Lender's 15% portion of Loss >35% of the Loan Amount
33	<i>This row highlights that rows 34-37 provide a Summary of Total Recovery Owed to Rural Development.</i>
34*	* RD's 100% of the difference between the Total Recovery and the Loss over 35%
35*	* RD's 85% of Split
36*	* Subtract amount of previous recovery payments made to Rural Development
37*	* Amount Lender to Pay Rural Development (the maximum is capped at Total Loss)

Note: The amount the lender must remit to the Agency is on Row 37, “AMOUNT LENDER TO PAY Rural Development.” This amount is capped at the total loss paid to the lender by RD and by the Total Amount of Recovery.

Lenders must submit a copy of the HUD-1 for the sale of the property and any other required documentation along with a printed copy of the *Future Recovery Calculator*.

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LOSS CLAIM AND FUTURE RECOVERY

USER GUIDE

FUTURE RECOVERY CALCULATOR (Continued)

Printing and Mailing the Future Recovery Calculator

Printing the Future Recovery Calculator:

- ⇒ Click on one of the following:
 - *Future Recovery Calculator* tab in the worksheet
 - *Go To Future Recovery Calculator* tab at the top of the *GRH Loss Claim Input Worksheet*.
- ⇒ Click on the print tool button.

Lenders Submit (for future recovery only) the following to the appropriate Rural Development Office that completed the original loss claim:

- ⇒ A copy of the completed *Future Recovery Calculator* worksheet.
- ⇒ A copy of Form RD 1980-20, with Items 1-9, Item 29, and Item 42 completed. Item 1 should be coded as a "4" to indicate a recovery.
- ⇒ A copy of the Advice of Payment/Notice of Termination outlining the initial loss claim payment.
- ⇒ A check, payable to Rural Development, in the amount specified on Row 34 of the *Future Recovery Calculator Worksheet*.

RD Steps:

- ⇒ Obtain the signature of the Rural Development Approval Official on the completed Form RD 1980-20.
- ⇒ Mail the completed *Future Recovery Calculator Worksheet* and the Form RD 1980-20, with **Items 1-9, Item 29, and Item 42** completed (**Code Item 1** as a "4" for **Recovery**) to the Finance Office, Office of the Deputy Chief Financial Officer, Attention: FC-350, GLB, PO Box 200011, St. Louis, Missouri 63120-0011.
- ⇒ Process the lender's check on Form RD 451-2, *Schedule of Remittances*, as a **miscellaneous collection code "34."**

If you have any questions, please contact Susanne Wilson in the Single Family Housing Guaranteed Loan Division at (202) 720-9705 or by e-mail at: Susanne.Wilson@usda.gov.

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